A.M.A. NEWS LETTER

AMERICAN MANAGEMENT ASSOCIATION, 330 WEST 42nd ST., NEW YORK, N. Y.

MAY 20, 1937

Personnel Factor Is Chief Discussion Topic For Plant Executives at Production Meeting

Paying, Training, Promoting, CIO — Are of Major Interest

The personnel factor again proved itself the common denominator among industrial problems when 500 production executives, gathered at the AMA Production Conference in Chicago on April 21-22, found themselves drawn at every turn into a discussion of some phase of the human side of keeping factories in operation.

Beyond doubt one of the most successful production conferences ever staged, the meeting drew executives from industrial centers through the central west, and set up a new all-time high for attendance in the production division of AMA. A large share of the registrants were from New England and the eastern seaboard.

But whether they were from Grand Rapids or Providence, all wanted to talk about personnel work—CIO, paying, training or promoting. At every moment the subject came cropping up and practically dominated the discussion. The conference began and ended, in fact, on that note. Opening on the first day with an address by J. A. Voss, Director of Industrial Relations of Republic Steel Corporation, on getting better understanding between management and men, the sessions ended some 32 hours later with a discussion of measured day work. The feature point of the conference, which came at the half-way point on the first evening, was an address by William Hard, newspaper correspondent and radio commentator, who spoke on labor as a political problem.

Those straight production problems which did manage to break through for a share of the conference's attention were: production control, maintenance costs control and product inspection.

Special Libraries Meeting

Representatives of business concerns, publishers, and special libraries will attend a meeting which is being held at the Hotel Roosevelt on June 16 at 2:00 p.m., to consider the informational needs and methods of American companies. The principal speakers at the gathering, which is being held under the auspices of the Special Libraries Association, will be Marian Manley of the Newark Public Library, and Mr. Paul Cherington.

HAROLD BERGEN WITH McKINSEY, WELLINGTON

Harold B. Bergen has announced his resignation from the position of Director of Industrial Relations of The Procter & Gamble Company to become a consultant in the field of personnel and industrial relations. He will be associated with McKinsey, Wellington & Company in their New York office. Well known in the AMA, Mr. Bergen has been a director of the Association for many years. From 1932 to 1936 he served as Vice President in Charge of the Personnel Division, and from 1934 to 1936 as President of the Institute of Management.

Associated with Mr. Bergen will be Mr. Arthur S. Hansen, located in the Chicago office of the firm, consulting actuary with wide experience in the fields of pensions, group insurance, and employee benefit plans.

Wage Problems Need Research, Writer Says

A problem of great importance to management at the present time is that of accurately determining market wage rates for various plant occupations, according to V. S. Karabasz, writing in the May number of *Personnel,* which was published this week.

A worker's attitude toward his compensation rate and toward the company itself is largely influenced, Mr. Karabasz states, by whether the worker believes that his rate is above or below the market level.

"The problems involved require considerable research by companies, both individually and collectively. That wage data really comparative in its nature will be forthcoming soon is certainly to be expected," Mr. Karabasz says.

BUSINESS MACHINE SERVICE ANNOUNCED

Organization to Conduct Research and Investigation Into Present and New Office Machines

Users of office machines will be interested in the inauguration of a service of information which will take place in July, 1937. A corporation known as Office Machines Research, Inc., is to conduct an independent and scientific investigation of office machines and to report monthly on technical construction, the operative capabilities and the specific applications of machines now on the market and of all new developments as they occur. Such a service already exists in Holland and Great Britain.

Ownership of the company is closely held, and no stock interest is available for purchase by any manufacturer of office equipment, thus insuring, a recent announcement states, that the service will be entirely impartial and scientifically as accurate as research and experience can make it.

Every business man knows that the costs involved in purchase and operation of office equipment are a substantial factor in his budget. An unbiased and competent authority to which to refer when in need of information should be of great value.

The service is to be issued under two classifications: 1. The American edition, which will include reports upon American machines and those of foreign machines which are obtainable on the American market; 2. A foreign supplement, which will contain reports upon foreign machines not at present upon the American market, but of general interest in a consideration of the subject.

Information on the prices for the service can be secured from Office Machines Research, Inc., 650 Fifth Avenue, New York City.

Copies of *Personnel* Needed

Public libraries are seeking additional copies of the August, 1936, number of *Personnel,* now out of print. It would be greatly appreciated if any member of the Association having extra copies of that issue would send one of them to AMA headquarters.

A.M.A. NEWS LETTER

AMERICAN MANAGEMENT ASSOCIATION, 330 WEST 42nd ST., NEW YORK, N. Y.

MAY 20, 1937

Personnel Factor Is Chief Discussion Topic For Plant Executives at Production Meeting

Paying, Training, Promoting, CIO — Are of Major Interest

The personnel factor again proved itself the common denominator among industrial problems when 500 production executives, gathered at the AMA Production Conference in Chicago on April 21-22, found themselves drawn at every turn into a discussion of some phase of the human side of keeping factories in operation.

Beyond doubt one of the most successful production conferences ever staged, the meeting drew executives from industrial centers through the central west, and set up a new all-time high for attendance in the production division of AMA. A large share of the registrants were from New England and the eastern seaboard.

But whether they were from Grand Rapids or Providence, all wanted to talk about personnel work—CIO, paying, training or promoting. At every moment the subject came cropping up and practically dominated the discussion. The conference began and ended, in fact, on that note. Opening on the first day with an address by J. A. Voss, Director of Industrial Relations of Republic Steel Corporation, on getting better understanding between management and men, the sessions ended some 32 hours later with a discussion of measured day work. The feature point of the conference, which came at the half-way point on the first evening, was an address by William Hard, newspaper correspondent and radio commentator, who spoke on labor as a political problem.

Those straight production problems which did manage to break through for a share of the conference's attention were: production control, maintenance costs control and product inspection.

Special Libraries Meeting

Representatives of business concerns, publishers, and special libraries will attend a meeting which is being held at the Hotel Roosevelt on June 16 at 2:00 p.m., to consider the informational needs and methods of American companies. The principal speakers at the gathering, which is being held under the auspices of the Special Libraries Association, will be Marian Manley of the Newark Public Library, and Mr. Paul Cherington.

HAROLD BERGEN WITH McKINSEY, WELLINGTON

Harold B. Bergen has announced his resignation from the position of Director of Industrial Relations of The Procter & Gamble Company to become a consultant in the field of personnel and industrial relations. He will be associated with McKinsey, Wellington & Company in their New York office. Well known in the AMA, Mr. Bergen has been a director of the Association for many years. From 1932 to 1936 he served as Vice President in Charge of the Personnel Division, and from 1934 to 1936 as President of the Institute of Management.

Associated with Mr. Bergen will be Mr. Arthur S. Hansen, located in the Chicago office of the firm, consulting actuary with wide experience in the fields of pensions, group insurance, and employee benefit plans.

Wage Problems Need Research, Writer Says

A problem of great importance to management at the present time is that of accurately determining market wage rates for various plant occupations, according to V. S. Karabasz, writing in the May number of *Personnel,* which was published this week.

A worker's attitude toward his compensation rate and toward the company itself is largely influenced, Mr. Karabasz states, by whether the worker believes that his rate is above or below the market level.

"The problems involved require considerable research by companies, both individually and collectively. That wage data really comparative in its nature will be forthcoming soon is certainly to be expected," Mr. Karabasz says.

BUSINESS MACHINE SERVICE ANNOUNCED

Organization to Conduct Research and Investigation Into Present and New Office Machines

Users of office machines will be interested in the inauguration of a service of information which will take place in July, 1937. A corporation known as Office Machines Research, Inc., is to conduct an independent and scientific investigation of office machines and to report monthly on technical construction, the operative capabilities and the specific applications of machines now on the market and of all new developments as they occur. Such a service already exists in Holland and Great Britain.

Ownership of the company is closely held, and no stock interest is available for purchase by any manufacturer of office equipment, thus insuring, a recent announcement states, that the service will be entirely impartial and scientifically as accurate as research and experience can make it.

Every business man knows that the costs involved in purchase and operation of office equipment are a substantial factor in his budget. An unbiased and competent authority to which to refer when in need of information should be of great value.

The service is to be issued under two classifications: 1. The American edition, which will include reports upon American machines and those of foreign machines which are obtainable on the American market; 2. A foreign supplement, which will contain reports upon foreign machines not at present upon the American market, but of general interest in a consideration of the subject.

Information on the prices for the service can be secured from Office Machines Research, Inc., 650 Fifth Avenue, New York City.

Copies of *Personnel* Needed

Public libraries are seeking additional copies of the August, 1936, number of *Personnel,* now out of print. It would be greatly appreciated if any member of the Association having extra copies of that issue would send one of them to AMA headquarters.

1937 JUN 3

A.M.A. NEWS LETTER

AMERICAN MANAGEMENT ASSOCIATION, 330 WEST 42nd ST., NEW YORK, N. Y.

330.973
A M28

MAY 20, 1937

MANAGEMENT WORLD TO LOOK TO FUTURE AT MEETING OF ALL DIVISIONS OF AMA

A Message from the President of AMA

During the past few weeks you have received copies of the program of the conference that marks the reaching of another milestone in AMA history—the 16th General Management Conference.

I wish to take the opportunity afforded by this issue of the NEWS LETTER to re-affirm the invitation contained in your program and to urge every member who can possibly do so, to attend the sessions planned for June 2-3.

The time has definitely come when managers must begin intelligent inquiry into the new responsibilities which must be shouldered if business is to avoid impractical governmental control. Our job is to determine a suitable procedure.

We are hoping, therefore, that all AMA people—those who have been partaking in the divisional activities and those who have been following the publications, will be with us when we convene on Wednesday morning, June 2, and will remain for the duration of the conference.

ALVIN E. DODD,
President.

ALVIN E. DODD

SHORE CONFERENCE

In progress this week at Atlantic City is the Eighth Annual Insurance Conference of the AMA. Although not opening officially until Monday morning, May 24, the conference drew a large number of insurance buyers and sellers to the shore for a day of golf on Sunday, May 23.

INSTITUTE MEETING TO BE ON JUNE 4

To Discuss Time and Motion Study and Wage Incentive Methods — Haggard and Lorge, Speakers

The annual meeting of the Institute of Management, the research group of AMA, will be held on June 4, the day following the concluding sessions of the General AMA Conference.

Time and motion study and wage incentive methods will be the chief topics of discussion in the Institute program, which is drawn along lines similar to conferences of other years.

Dr. H. W. Haggard of the Laboratory of Applied Physiology of Yale University will open the meeting with a paper, "A Physiologist Looks at Time Study, Motion Study, and Wage Incentive Methods." Following this session, the officers of the Institute, Carle M. Bigelow, President; Lillian M. Gilbreth and C. S. Yoakum, Vice Presidents, will call a business meeting of the group.

The sessions will continue in the afternoon with a paper by Dr. Irving Lorge, Division of Psychology, Institute of Educational Research of Teachers College, Columbia University.

LIBRARY
UNIVERSITY OF WASHINGTON

The realities of industry's position in the light of recent social and economic trends, growing restrictive influences on business, and the actual responsibilities of business in social welfare, will be discussed when the AMA holds its Sixteenth Annual General Management Conference at the Hotel New Yorker, New York City, on June 2-3.

For two days, speakers who include some of the leading figures in American industry, will try to establish whether industry-wide self-control, uniting capital and labor through fair trade and price-fixing agreements, is an intelligent goal for private enterprise, or whether complete freedom of competition in service, quality and prices must be maintained (with or without reasonable government control), or whether business must surrender to unequivocal governmental control.

Some of those who will appear as speakers and chairmen on the program are: James O. McKinsey, Chairman, Marshall Field & Company, and Chairman of the Board of AMA; W. L. Batt, President of SKF Industries, Inc.; Thomas I. Parkinson, President, The Equitable Life Assurance Society of the United States; Dr. Arthur Stone Dewing, former Professor of Finance at Harvard University, and now president of various utilities; Dr. Willard Thorp, Director, Economic Research, Dun & Bradstreet, Inc.; Dr. Leverett S. Lyon, Executive Vice President, The Brookings Institution.

Andrew W. Robertson, Chairman, Westinghouse Electric & Manufacturing Company; Clarence Francis, President, General Foods Corporation; T. J. Ross of T. J. Ross and Ivy Lee; Thomas R. Jones, President, American Type Founders, Inc.

The conference will bring together AMA people from throughout the country. Advance registrations now coming into headquarters in New York indicate that the meeting will have an exceptionally large attendance. Many letters have been received congratulating those who planned the conference for the good judgment exercised in selecting subjects and speakers.

This digest covers the views of various authorities. It does not include any strictly confidential information nor specific advices from the sources.

BUSINESS CONDITION

ol. 10, No. 5 May, 19

	Alexander Hamilton Institute	Babson Statistical Organization	Brookmire, Inc.	Bus
General Outlook	If percentage gains in national income continue thru 1937, the annual national income will be only $3,804,000,000 less than that of 1929; in view of 1929's inflation, present conditions are open to question (May 8).	Volume of business for May, according to the Babsonchart estimate, may record a new recovery high; current level is 14% above a year ago (May 17).	Business situation rather mixed; commodities fell to new low levels for the move, car loadings dropped after a steady rise, and electric power consumption declined; auto production held at its new peak (May 15).	New business textiles, modera non-ferrous me construction, el air conditioning farm equipment
Money and Credit		The gold situation is serious, but does not warrant panic—lower gold prices would not end prosperity permanently, but would bring a reaction with sounder prosperity following (May 17).	Essentially easy money was reflected in drop in bill rates; excess reserves amounting to $890,000,000 signify continued strong banking and credit situation (May 8).	Rising price l rective to heav (May 22).
Security Markets	The current phase is not without favorable factors; bonds have shown a moderate recovery and there was diminished volume on reaction at the beginning of the week (May 20).	In viewing the common stock outlook, it is important to consider the insistent drift toward a lower dollar value; also the recovery tide runs strong; present unsettlement not so important as strong underlying forces (May 17).	The present period is one of unusual opportunity for investing any new funds; healthier business and market conditions resulting from recent corrections enhance the long-term outlook (May 15).	Financial dist sobered by sa looked to this v (May 22).
Production	Auto production increased 15.4% in the first quarter of 1937 over the same period last year; steel output in the same period has exceeded the first 3 months of '29 (May 8).	Main factors helping to sustain business are: automobile output, coal production, freight car loadings and electric power consumption (May 17).	A number of plants in a wide variety of industries are already operating close to capacity, including steel, automotive, machine tool, farm implement (May 8).	First four m chine tool manu of comparable r ing the speed building up pro 22).
Distribution		Department store sales in March showed an increase of 20% over a year ago; chains and mail order houses have been doing well; because of the Easter date, April percentages will logically be less than March (May 10).		Chain store from pleased wi cision upholding tax, and will fenses against elsewhere (May
Building	Building contracts rose in March to a new peak for the recovery movement; volume was 36.9% larger than the corresponding month in 1936 (May 8).	Building statistics for May point to important improvement over the disappointing April data; spring building slump may prove temporary; expansion in next few weeks may ease any lull in general business (May 17).	By preventing building costs from rising too fast, the setback in commodity prices should facilitate expansion in new construction (May 15).	*Engineering N* construction cos highest level sin in common labor ing material pri (May 22).
Agriculture	While the quantity of farm products sold in March was 4.1% smaller than March a year ago, farm income, due to greater inflation now prevailing, was 18% higher than 1936 (May 15).	Prospects at present favor sharp reduction in appropriations for agriculture; outlook is that the farm program will be carried along on a smaller scale (May 10).	Larger quantities of farm products for sale will offset price drops, maintaining prosperous farm income (May 15).	This year's ga seems sure to to 10%, and the in evenly distribute last three or fou
Commodity Prices	The price level in March was only 7.8% below the pre-depression average of 1929, having advanced 46.8% since the depression low in February 1933 (May 8).	The speculative crash in commodity exchanges depressed leading indexes of commodity prices last month; further reaction possible, but underlying trend is upward (May 17).	During recent weeks sharply declining commodity prices have exerted unsettling influence on market sentiment, but more important consequences should be constructive and enduring (May 15).	Speculative co been under pre show symptoms notable exceptio 22).
Labor and Wages	Payrolls in March were nearly three times as high as in the corresponding month of 1933 when the index was 37.9, the lowest figure during the depression (May 8).	The rate of increase in wages has been stepped up considerably in last months of record; summer months will see a continuation of this trend with increases filtering into lagging industries (May 17).	With the strike at Jones & Laughlin plants settled, it is doubtful if labor disturbances will assume as great magnitude in the near future as earlier in the year (May 15).	Unions are ad bers; win most towns; survey by veals acute sho (May 22).
Foreign Trade and Conditions	If the proposed world conference should be successful, serious efforts will be made to liquidate the war debt problem and thereby remove the last financial problem that grew out of the World War (May 8).		The fortnightly "settlement" date in the London market, over which much concern had been felt because of recent speculative losses, was passed without trouble (May 8).	Way has been session of the L London for sub cacy of British economic cooper

ONS AND FORECASTS

Prepared Monthly by the AMERICAN MANAGEMENT ASSOCIATION
Reproduction Not Permitted

May, 1937

Copyright, 1937 by the AMERICAN MANAGEMENT ASSOCIATION

BUSINESS WEEK	DUN'S REVIEW	CLEVELAND TRUST COMPANY	NATIONAL CITY BANK
ew business is still slow in cotton les, moderately active in steel and ferrous metal markets, good in truction, electrical manufacturing, conditioning, machine tool, lumber, equipment (May 23).	Business activity generally well ahead of year ago figures, but with recent reactions in prices and other phenomena of recovery where velocity of recovery has disturbed healthy balance (June).	It seems doubtful that any pessimistic forecasts about an impending decline in general business is warranted; too many fundamentals remain favorable; year's outlook is favorable (May 15).	Opinions as to the general trend of business continue optimistic, although predictions of a moderate recession during summer months, chiefly in consumer goods, have become more common (May).
sing price levels are a natural cor- ve to heavy production of gold y 22).	Bank clearings, 22 U. S. cities, April, $26,086 million, 11.3% below March, 5.6% above a year ago; Insolvency Index (Failures), April 46.4 compared with 44.9 in March, 50.3 a year ago (June).		The money market has continued in a highly nervous state all month, due to the manifold uncertainties concerning governmental policies on gold and excess bank reserves, the Treasury fiscal position, and the general business outlook (May).
nancial districts which are easily red by sagging security prices ed to this week's upturn hopefully y 22).		The decline in stock and bond prices is not astonishing; the equally serious decline in stock prices in April 1936 is now almost forgotten (May 15).	The break in the markets has given rise to a variety of rumors and purported explanations, but the simplest is that the preceding rise had been too fast (May).
rst four months' business of ma- e tool manufacturers is 89% ahead omparable months of 1936, indicat- the speed with which industry is ling up production facilities (May	Production continued high in March and April with totals for country about 25% over last year and at approximately pre-depression levels; new production records established in some lines (June).	The volume of industrial production has been steadily increasing this year; incomplete data for April show production only 5.7% below normal; likely that May will show another increase (May 15).	There has been no falling off in the general level of productive activity; most industries entered April under strong headway, and still have large unfilled orders and small stocks on hand (May).
ain store organizations were far pleased with Supreme Court's de- n upholding Louisiana chain store and will have to strengthen de- es against similar discrimination where (May 22).	U. S. Trade Barometer: March 103.2; 6.2% above February; 16.2% above a year ago; this index is seasonally corrected (1928-1932=100) but not corrected for change in date of Easter (June).	Retail trade is among the factors steadily reported to be showing improvement (May 15).	In some localities recent retail figures are disappointing, but for the country as a whole sales are well above last year in volume as well as dollars (May).
gineering News-Record's index of truction costs has been boosted to est level since 1920 by steady rise ommon labor rates; wholesale build- material prices exceed 1929 figure y 22).	Building permit values, April, $117,525,776, higher than any recovery month except March; 40% above a year ago; decrease from March caused by lower New York City figure (June).	While construction is not expanding vigorously, it is doing better than it did last year (May 15).	Building figures are disappointing; contracts awarded are running ahead of last year, but the increase is less than hoped for (May).
is year's gain in farm cash income s sure to top 1936 by no less than , and the increase should be more ly distributed than in any of the three or four years (May 22).			The increase in farm income over a year ago is phenomenal; during March it was 37% including Government payments (May).
eculative commodities which have under pressure for some weeks symptoms of firming up, with ble exception of scrap steel (May	The Dun & Bradstreet Wholesale Commodity price index declined 2.5% from $11.8150 on April 1 to $11.5159 on May 1; largest decrease in metals group; most commodity groups lower (June).	The declines in commodity prices were overdue, for prices had been marked up overly fast by speculation (May 15).	In most cases the new supplies of staple raw materials coming on the market during the second half-year will be the largest since before the depression, ample for all requirements (May).
ions are adding white collar mem- ; win most success in strong union s; survey by Warner & Swasey re- s acute shortage of skilled men y 22).	In March and April factory payrolls increased their lead over a year ago; payrolls in March about 30% over March 1936; above 1930 level, but less than 10% under 1929 peak (June).	In the general upward trend of business employment will almost surely be larger, and the totals of payrolls distinctly higher (May 15).	
ay has been opened at first plenary on of the Imperial Conference in lon for subsequent definite advo- of British Empire-United States omic cooperation (May 22).	Exchange restrictions no longer serious trouble in exporting to Latin America; individual credit capacity of customers now influences payments trend (May).		Improving trade balances and higher prices for countries which are chief producers of primary products must have a counterpart in less favorable trade balances and higher costs for countries which are the chief consumers of these products (May).